

## **EXHIBIT 2**

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*Attorneys for Petitioners Western Energy Alliance  
and the Independent Petroleum Association of America*

**IN THE UNITED STATES DISTRICT COURT**

**FOR THE DISTRICT OF WYOMING**

WESTERN ENERGY ALLIANCE, and the  
INDEPENDENT PETROLEUM  
ASSOCIATION OF AMERICA,

Petitioners,

v.

SALLY JEWELL, in her official capacity as  
Secretary of the United States Department of  
the Interior, and BUREAU OF LAND  
MANAGEMENT,

Respondents.

) Civil Case No. 2:16-cv-00280-SWS

**DECLARATION OF DANIEL T. NAATZ**

**IN SUPPORT OF' MOTION FOR PRELIMINARY INJUNCTION**

I, Daniel T. Naatz, do certify under penalty of perjury as follows:

1. I am the Senior Vice President of Government Relations and Political

Affairs for the Independent Petroleum Association of America (IPAA). IPAA's offices are located at 1201 15th Street NW, Suite 300, Washington, DC 20005. My phone number is 202.857.4722, and my email address is dnaatz@ipaa.org.

2. I am over the age of twenty one, and I have personal knowledge of the facts stated herein. If called upon to testify as to the matters set forth herein, I would be competent to do so. I make this declaration in support of Petitioners' Motion for Preliminary Injunction.

3. IPAA is the nation's leading upstream oil and natural gas trade association. IPAA represents thousands of independent oil and natural gas producers and service companies across the country. IPAA represents its members' interests in continued and responsible oil and gas development and advocates for its members in proceedings before the United States Congress, federal agencies, and the courts.

4. On federal, Indian, state, and private leases, IPAA's members develop 95 percent of domestic oil and gas wells and produce 54 percent of domestic oil and more than 85 percent of domestic natural gas.

5. On November 15, 2016, the Bureau of Land Management (BLM) within the United States Department of the Interior issued a final rule intended to regulate the waste of natural gas from flaring, venting, and leaks from oil and natural gas production activities on onshore federal and Indian oil and gas leases and certain non-federal oil and gas leases. *See* "Waste Prevention, Production Subject to Royalties, and Resources Conservation: Final Rule," 81 Fed. Reg. 83,008 (Nov. 18, 2016) (the Venting and Flaring Rule).

6. When operating on federal or Indian leases, IPAA's members will be required to comply with the Venting and Flaring Rule.

7. IPAA has actively participated in the rulemaking process related to the Venting and Flaring Rule. IPAA held meetings with federal officials about legal and technical features of the Venting and Flaring Rule, participated in public hearings, and submitted substantive comments regarding the proposed rule.<sup>1</sup>

8. Implementation of the Venting and Flaring Rule will cause direct and irreparable harm to IPAA's members. Based on different discount rates and scenarios, BLM estimates that the Venting and Flaring Rule will cost each affected entity between \$42,300–\$65,800 in compliance costs per year. *See* BLM, Waste Prevention Regulatory Impact Analysis, at 129 (Nov. 10, 2016).<sup>2</sup> BLM estimates the total costs of the Venting and Flaring Rule will be \$114–\$279 million per year (using a 7 percent discount rate). *Id.* at 5. IPAA estimates these costs are too low. John Dunham & Associates finds that the Venting and Flaring Rule's cost exceeds \$1.26 billion, including a \$114 million loss in federal and state tax revenues.<sup>3</sup>

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<sup>1</sup> On February 8, 2016, BLM issued proposed regulations “to reduce waste of natural gas from venting, flaring, and leaks during oil and natural gas production activities on onshore Federal and Indian leases.” 81 Fed. Reg. 6616 (Feb. 8, 2016). On April 22, 2016, IPAA joined the Western Energy Alliance, American Exploration and Production Council, and the U.S. Oil and Gas Association in submitting comments on the proposed rule. *See* Joint Trades Venting Flaring Rule Comments (April 22, 2016), available at [www.regulations.gov](http://www.regulations.gov), Docket ID No. BLM-2016-0001, Comment No. BLM-2016-0001-8313.

<sup>2</sup> Available at [https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas\\_WastePreventionRegulatoryImpactAnalysis.pdf](https://www.blm.gov/sites/blm.gov/files/documents/files/oilandgas_WastePreventionRegulatoryImpactAnalysis.pdf).

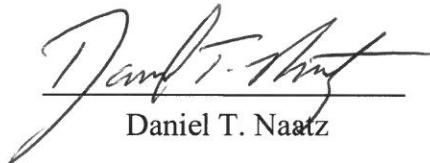
<sup>3</sup> *Cost-Benefit Analysis of the Impact of Onshore Oil and Gas Leasing (43 CFR 3100), Onshore Oil and Gas Operations (43 CFR 3600), Royalty-Free Use of Lease Production (43 CFR 3178), and Waste Prevention and Resource Conservation (43 CFR 3179)*, John Dunham & Associates at 1 (April 12, 2016), available at [www.regulations.gov](http://www.regulations.gov), Docket ID No. BLM-2016-0001, Comment No. BLM-2016-0001-8313.

9. If the Venting and Flaring Rule takes effect on January 17, 2017, IPAA's members would need to take immediate action to begin Rule implementation and compliance planning, despite the fact some provisions will not be effective immediately. This will require significant financial and personnel resources. IPAA's members' budgets for Fiscal Year 2017 have been completed and would also need to be revised to account for compliance with the Venting and Flaring Rule.

10. Compliance with the Venting and Flaring Rule will also compel IPAA's members to disclose confidential, proprietary, and competitive information.

11. If the Venting and Flaring Rule is not implemented, IPAA's members would not suffer the irreparable injuries described in paragraphs eight, nine, and ten.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct and was executed in Washington, DC on this 22nd day of November, 2016.



Daniel T. Naatz